

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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EASTERN SAVINGS BANK, FSB,

Plaintiff,

-against-

PETER K. STREZ, CATHERINE A. STREZ A/K/A
CATHERINE A. KELLEY, CITY OF NEW YORK
ENVIRONMENTAL CONTROL BOARD, and "JOHN
DOE #1 through JOHN DOE #12", the last twelve names
being fictitious and unknown to plaintiff, the persons or
parties intended being the tenants, occupants, persons or
corporations, if any, having or claiming interest upon the
premises described in the Complaint.

Defendants.
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Civil Docket No.: 11-1543
Filed: March 29, 2011

**VERIFIED REPLY TO
COUNTERCLAIMS**

Plaintiff Eastern Savings Bank, fsb ("**Plaintiff**"), by its attorneys Kriss & Feuerstein LLP, hereby responds to the Answer with Counterclaims ("**Answer**") of Defendants PETER K. STREZ and CATHERINE A. STREZ A/K/A CATHERINE A. KELLEY ("**Defendants**") as follows:

AS TO THE FIRST COUNTERCLAIM

1. Plaintiff denies the allegations set forth in Paragraph 9 of the Answer.
2. Plaintiff denies the allegations set forth in Paragraph 10 of the Answer.
3. Plaintiff denies the allegations set forth in Paragraph 11 of the Answer.

AS TO THE SECOND COUNTERCLAIM

4. Plaintiff denies the allegations set forth in Paragraph 12 of the Answer.
5. Plaintiff denies the allegations set forth in Paragraph 13 of the Answer.

AS TO THE THIRD COUNTERCLAIM

6. Plaintiff denies the allegations set forth in Paragraph 14 of the Answer.
7. Plaintiff denies the allegations set forth in Paragraph 15 of the Answer.

AS TO THE FOURTH COUNTERCLAIM

8. Plaintiff denies the allegations set forth in Paragraph 16 of the Answer.
9. Plaintiff denies the allegations set forth in Paragraph 17 of the Answer.

FIRST AFFIRMATIVE DEFENSE

The Plaintiff is a federal savings bank governed by the Office of Thrift Supervision and Banking Law Section 6-L, with respect to any application to Plaintiff, is preempted by federal law.

SECOND AFFIRMATIVE DEFENSE

Defendants' Counterclaims are barred by the doctrine of unclean hands.

THIRD AFFIRMATIVE DEFENSE

Plaintiff reasonably relied upon the information supplied by Defendants and their agents, and exercised reasonable care in originating the subject loan to Defendants.

FOURTH AFFIRMATIVE DEFENSE

Defendants received the subject loan proceeds and will be unjustly enriched if any of their requested relief is granted.

FIFTH AFFIRMATIVE DEFENSE

Defendants' Counterclaims are barred by the doctrine of equitable estoppel.

SIXTH AFFIRMATIVE DEFENSE

Defendants' Counterclaims are barred by the doctrine of laches.

SEVENTH AFFIRMATIVE DEFENSE

Defendants' Counterclaims are barred by the doctrine of waiver.

EIGHTH AFFIRMATIVE DEFENSE

Defendants' damages were caused by their own actions and those of third parties.

WHEREFORE, Plaintiff, Eastern Savings Bank, fsb demands judgment dismissing the Counterclaims with prejudice and granting Plaintiff all of the relief demanded in the Complaint and such other and further relief that this Court deems just and proper.

Dated: New York, New York
March 21, 2012

KRISS & FEUERSTEIN LLP
360 Lexington Avenue, Suite 1200
New York, New York 10016
(212) 661-2900

By: /s/: Jerold C. Feuerstein
Jerold C. Feuerstein, Esq. (JCF-9829)
Attorneys for Plaintiff Eastern Savings Bank,
FSB

VERIFICATION

JEROLD C. FEUERSTEIN, an attorney duly admitted to practice before the courts of this state and associated with the attorneys of record for the plaintiff, affirms under the penalties of perjury that: I have read the foregoing Statement of Facts and the same is true to my own knowledge except as to matters alleged to upon information and belief as to those matters I believe them to be true. The grounds of my belief as to matters not based upon personal knowledge are communications with plaintiff or officers and/or agents of plaintiff and copies of plaintiff's records in my possession. This affirmation is made by me because plaintiff is not in a county in which my firm has its office.

Dated: New York, New York
March 21, 2012

/s/: Jerold C. Feuerstein
JEROLD C. FEUERSTEIN (JCF-9829)